

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) On the basis of decline in international prices, the prices of petrol and diesel were reduced on 30.11.2006. It was again reduced on 16.2.2007. The reduction was Rs. 2/- per litre and Re. 1/- per litre for petrol and diesel respectively on each occasion (Delhi Price).

(c) and (d) In the Union Budget 2007-08, Government has reduced the excise duty from 8% to 6% on petrol and diesel with effect from 1.3.2007. In view of the reduction in retail prices of petrol and diesel by Rs. 2/- per litre and Re. 1/- per litre respectively already effected from 16.2.2007, Government has advised oil marketing companies to retain the reduction of excise duty.

#### Payment of royalty to ONGC

816. SHRIMATI JAYA BACHCHAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether it is a fact that ONGC has requested Government for royalty payment on onshore crude at post-discount price;
- (b) the basis for this request and its implications for the consumer; and
- (c) the decision taken by Government on the request?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Yes, Sir.

(b) Upstream Public Sector Oil companies including ONGC share the under recoveries of oil marketing companies on selling price sensitive products like domestic Liquefied Petroleum Gas (LPG), Superior Kerosene Oil (SKO) under Public Distribution System, Motor Spirit (MS) and High Speed Diesel (HSD). While ONGC is allowed to pay other *ad-valorem* taxes and duties as well as royalty on offshore crude at the post discount price, in the case of onshore crude, ONGC pays royalty on pre-discount prices. The payment of royalty on onshore crude at post discount price has no direct implications for the consumers.

(c) The Government does not propose to change the policy at the moment.